



**REPORT TO: HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD –
30 AUGUST 2016**

REPORT ON: PERFORMANCE AND AUDIT COMMITTEE

REPORT BY: CHIEF FINANCE OFFICER

REPORT NO: DIJB36-2016

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to seek approval to establish a Performance and Audit Committee of the Integration Joint Board, agree its remit and terms of reference and to seek nominations to this Committee.

2.0 RECOMMENDATIONS

It is recommended that the Integration Joint Board (IJB):

2.1 Notes the responsibility of the IJB to put in place appropriate and proportionate audit arrangements.

2.2 Agrees to establish a Performance and Audit Committee as a Standing Committee of the IJB the first meeting of which will take place at a date following the IJB meeting to be held on the 25 October 2016.

2.3 Agrees the terms of reference as detailed in Appendix 1 to this report.

2.4 Agrees to appoint the Chair and agree the membership of the Performance and Audit Committee.

2.5 Remit to the Clerk to make consequent amendments to Standing Orders.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no direct financial implications arising from this report.

4.0 MAIN TEXT

4.1 Background

4.1.1 The Integrated Resources Advisory Group (IRAG), established by the Scottish Government to develop professional guidance, recommends that the Integration Joint Board (the IJB) should make appropriate and proportionate arrangements for consideration of the audit provision and annual financial statements, which are compliant with regulations and good practice governance standards in the public sector. This should include consideration of any reports from internal audit, external audit and the IJB's annual accounts. The guidance suggests this may be carried out through the establishment of an audit committee, meeting two or three times per year. The guidance also notes that it will be responsibility of the IJB to agree the membership of the audit committee having regard to the agreed remit, skills and good practice for a public sector audit committee. It is anticipated that members of the IJB will serve in this capacity.

- 4.1.2 In May 2016, Dundee IJB agreed to a recommendation set out in report DIJB9-2016 to establish a Performance and Audit Committee to provide this appropriate scrutiny of performance and audit issues and instructed the Chief Officer to bring back a report to the IJB outlining the proposed membership of the Committee and governance arrangements.
- 4.1.3 These proposals and terms of reference are set out in Appendix 1. The IJB is required to appoint a Chair of the Performance and Audit Committee and it is recommended that this person is not the Chair of the IJB. The role of Chair will rotate between a voting member of the IJB from NHS Tayside and a voting member from Dundee City Council. The Chair will rotate on the same frequency as the Chair of the IJB. The membership of the Committee will consist of not less than six members of the IJB of which four will be voting members of the IJB. The Chief Officer and Chief Finance Officer cannot be members of the Committee but will attend as professional advisors. The Chief Internal Auditor and other professional advisors or their nominated representatives may also attend with the External Auditor invited to attend at least one meeting per annum. The Committee shall meet at least three times each financial year.
- 4.1.4 The Committee will be open to the public and minutes of meetings will go before the IJB for information and record purposes.

5.0 POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Equality Impact Assessment and Risk Management. There are no major issues.

6.0 CONSULTATIONS

The Chief Officer and the Clerk along with the Chief Internal Auditor of NHS Tayside and the Senior Manager - Internal Audit of Dundee City Council were consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

Dave Berry
Chief Finance Officer

DATE: 5th August 2016

**DUNDEE CITY HEALTH AND SOCIAL CARE INTEGRATION JOINT BOARD
PERFORMANCE AND AUDIT COMMITTEE
TERMS OF REFERENCE**

1	Introduction
1.1	The Performance and Audit Committee is identified as a Committee of the Integration Joint Board (IJB).
1.2	The Committee will be known as the Performance and Audit Committee of the IJB and will be a Standing Committee of the IJB.
2	Constitution
2.1	The IJB shall appoint the Committee. The Committee will consist of not less than six members of the IJB, excluding Professional Advisors. The Committee will include at least four IJB voting members, two from NHS Tayside and two from Dundee City Council. Only voting members of the IJB will be able to vote on the Committee.
2.2	The Committee may at its discretion set up short term working groups for review work. Membership of the working group will be open to anyone whom the Committee considers will assist in the task assigned. The working groups will not be decision making bodies or formal committees but will make recommendations to the Performance and Audit Committee.
3	Chair
3.1	The Committee will be chaired by a person not being the Chair of the IJB, will be nominated by the IJB and will rotate between a voting member from NHS Tayside and a voting member from Dundee City Council. In the absence of the Chair, the members present at the meeting will appoint a member to Chair the meeting. The Chair will rotate on the same frequency as the Chair of the IJB.
4	Quorum
4.1	Two voting members of the Committee will constitute a quorum.
5	Attendance at meetings
5.1	The Chief Officer, Chief Finance Officer, Chief Internal Auditor and other Professional Advisors or their nominated representatives may attend meetings. Other persons shall attend meetings at the invitation of the Committee.
5.2	The external auditor will be invited to attend at least one meeting per annum.
5.3	The Committee may invite additional advisors as appropriate.

6	Meeting Frequency
6.1	The Committee will meet at least three times each financial year with further meetings, including development events arranged if necessary.
7	Authority
7.1	The Committee is authorised to instruct further investigation on any matters which fall within Paragraph 8.
8	Duties
8.1	The Committee will review the overall Internal Control arrangements of the IJB and make recommendations to the IJB regarding signing of the Governance Statement.
	Specifically it will be responsible for the following duties:
	1. The preparation and implementation of the strategy for Performance Review and monitoring the performance of the Partnership towards achieving its policy objectives and priorities in relation to all functions of the IJB.
	2. Ensuring that the Chief Officer establishes and implements satisfactory arrangements for reviewing and appraising service performance against set objectives, levels and standards of service and to receive regular reports on these and to review progress against the outcomes in the Strategic and Commissioning Plan.
	3. Acting as a focus for Best Value and performance initiatives.
	4. To review and approve the annual Internal Audit plan on behalf of the IJB.
	5. To receive reports, monitor the implementation of agreed actions on audit recommendations and reporting to the IJB as appropriate.
	6. To receive monitoring reports on the activity of Internal Audit and an annual Internal Audit Report.
	7. To consider External Audit Plans and reports (including the annual accounts and audit certificate), matters arising from these and management actions identified in response.
	8. To support the IJB in ensuring that the strategic integrated assurance and performance framework is working effectively, and that escalation of notice and action is consistent with the risk tolerance set by the IJB.
	9. To support the IJB in delivering and expecting co-operation in seeking assurance that hosted services run by partners are working effectively in order to allow Dundee IJB to sign off on its accountabilities for its resident population.
	10. Review risk management arrangements, receive regular reports on risk management and an annual Risk Management report.
	11. Ensure existence of and compliance with an appropriate Risk Management Strategy.
	12. To consider annual financial accounts and related matters before submission to and approval by the IJB.
	13. Ensuring that the Senior Management Team of Dundee Health and Social Care Partnership, including Heads of Service, Professional Leads and Principal Managers maintain effective controls within their services which comply with

	financial procedures and regulations.
	14. To be responsible for setting its own work programme in order to meet its specific duties including any matters which the Chief Officer believes would benefit from investigation.
	15. Promoting the highest standards of conduct by IJB Members; and monitoring and keeping under review the Code of Conduct maintained by the IJB.
	16. Will have oversight of Information Governance arrangements as part of the Performance and Audit process.
	17. To be aware of, and act on, Audit Scotland, national and UK audit findings and inspections/regulatory advice, and to confirm that the IJB has brought itself into compliance timeously.
9	Review
9.1	The Terms of Reference will be reviewed when the Chair passes to ensure their ongoing appropriateness in dealing with the business of the IJB.
9.2	As a matter of good practice, the Committee should allow for periodic review utilising best practice guidelines and external facilitation as required.

